

Minutes of the
RENEWABLE ENERGY COUNCIL

Tuesday, July 8, 2008
WSI Boardroom, ND Department of Commerce
Bismarck, North Dakota

CALL TO ORDER

Shane Goettle, Chairman, called the Renewable Energy Council meeting to order at 9:330 a.m.

Members Present: Shane Goettle, Al Christianson, Terry Goerger, Eric Mack, Mark Nisbet, Randy Schneider

Others Present:

Bill Huether, Department of Commerce
Justin Dever, Department of Commerce
Brandi Schoenberg, Department of Commerce
Karlene Fine, ND Industrial Commission
Bradley G. Stevens, EERC
Debra Pflughoeft-Hasset, EERC
Ted Aulich, EERC
Junhua Jiang, EERC
Wayne Seames, UND
Niles Hushka; Kadrmas, Lee and Jackson

WELCOME

Shane Goettle welcomed the members of the Renewable Energy Council. Roll call was taken and introductions were made by those present followed by a review of the meeting agenda.

APPROVAL OF MINUTES

Approval of minutes will be taken as the next meet. Goettle asked for other corrections.

PRESENTATION OF FINANCIAL SUMMARIES

Fine gave a report on the balances of the Renewable Energy Development Fund and the Biomass Incentive Research Fund. Fine explained the outcome of the Industrial Commission meeting on April 22, 2008. Fine explained how the funds will be used and carried over. Goettle discussed the caps associated with each of the funds.

Fine outlined the expenditures for technical reviewers and expenses from the last meeting. Fine also discussed the appropriations authority and the funds remaining. Fine stated that applications have also been already received for Round 3.

Goettle stated that legislators will look at the demand for funds when reviewing the biomass program. Huether stated that there is a possibility that there might be biomass projects that wouldn't qualify for the renewable energy program. The authority for the biomass program will discontinue at the end of the biennium.

CONSIDERATION OF GRANT ROUND 2 APPLICATIONS

Huether stated that there are four applications and each was reviewed by technical reviewers.

R002-A: "Small Wind Turbine Training Center"; Submitted by the Energy & Environmental Research Center; Principal Investigator: Bradley G. Stevens; Project Duration: 12 months; Total Project Costs: \$100,000; Request for: \$50,000

Huether discussed the Small Wind Turbine Training Center Project submitted by the EERC. Huether stated that the objective is to develop a training center to provide educational opportunities.

Huether said the three technical reviewers gave the proposal an average weighted score of 178.33 out of 250 points. Technical reviewer 2D and 2G recommended Fund and technical reviewer 2F recommended Do Not Fund.

Huether recommended to fund with the following contingencies: provide qualified staff to lead facilitated discussions for groups, at least three planned technical workshops, and wind turbine data, evaluation and reports shall be provided to Commerce.

Huether introduced Bradley G. Stevens of the EERC. Stevens emphasized specific points about the project including information on the budget. Stevens explained the background with the project. The project is looking for a city owned site, west of LM Glasfiber. Two other sites are also in consideration. Stevens stated that two unique small machines will be located at the chosen site.

In response to a question from Goettle, Stevens stated that LM Glasfiber isn't a partner of the project at this time.

In response to a question from Nisbet, Stevens stated the long-term sustainability is on the education side.

In response to a question from Schneider, Stevens stated that small turbines are viable for on-site energy for large loads with high energy costs. Stevens stated he doesn't know if there will be enough demand to drive down the manufacturing cost.

In response to a question from Nisbet, Stevens stated that the public has a will for small wind

efforts. Stevens stated that he himself doesn't take a position.

In response to a question from Schneider, Stevens stated that resource data will be monitored at the site. Stevens stated that proof of production will be an important element.

In response to a question from Goerger, Stevens stated that maintenance is included in the budget. Funding will carry the project for two years.

In response to a question from Nisbet, Stevens stated that there hasn't been talk about the city of Grand Forks maintaining the machines.

It was moved by Goerger, seconded by Nisbet and carried on a voice vote to adopt the contingencies presented by Huether.

R002-C: "Development of Economically Sustainable Distributed Power from Biomass Gasification for North Dakota"; Submitted by Energy & Environmental Research Center; Principal Investigator: Debra Pflughoeft-Hasset; Project Duration: 12 month; Total Project Costs: \$100,000; Request for: \$50,000

Huether explained the project requesting \$50,000 submitted by the EERC has an objective to use an existing gasification system in Grand Forks to demonstrate long-term operation of the system for heat and power.

Huether said the three technical reviewers gave the proposal an average weighted score of 192 out of 250 points. Technical reviewer 2C recommended funding may be considered and technical reviewers 2E and 2H recommended that the project be funded.

Huether recommended that the project be approved upon the following contingencies: provide qualified staff to lead facilitated discussions for groups wishing to tour the site, a technical workshop conducted prior to the demonstration of biomass fuels, and educational materials and reports are provided to Commerce.

Huether introduced Debra Pflughoeft-Hasset of the EERC to discuss the project. Pflughoeft-Hasset stated that four projects tasks are involved. She gave a brief history on the EERC and their gasification experience. The target market is industry with waste residues with fuel value. She also gave an overview of the anticipated outcome of the project.

In response to a question from Goettle, Pflughoeft-Hasset stated feedstock options may include wood waste from Grand Forks, Turtle Mountain region forest waste, and crop residues.

In response to a question from Mack, Pflughoeft-Hasset stated that the feedstock will vary.

In response to a question from Schneider, Pflughoeft-Hasset stated that this project is unique because of the simplified technical advancements.

It was moved by Goerger, seconded by Schneider and carried on a voice vote to adopt the contingencies presented by Huether.

CONFIDENTIAL APPLICATIONS

It was moved by Christianson, seconded by Schneider and carried on a voice vote that the Renewable Energy Council meeting be closed to consider two applications: "Renewable Electrolytic Nitrogen Fertilizer Production" and "Development of Biojet Fuel from North Dakota Crop Oils" that requested confidentiality pursuant to North Dakota Century Code 54-63-02.

The confidential session started at 10:45 a.m. and returned to open session at 12:40 p.m.

COMPLETION OF BALLOT

Goettle announced that in closed section, action was taken to consider the "Renewable Electrolytic Nitrogen Fertilizer Production" under the biomass program conditioned upon the technical reviewers consent.

Goettle opened up discussion the projects.

It was moved by Schneider, seconded by Goerger and carried on a voice vote to assign Fine the task to research the possibility of including repayment provisions with approved projects and have a recommendation at the next Renewable Energy Council meeting.

Seeing no further discussion, Goettle stated that the vote for Renewable Electrolytic Nitrogen Fertilizer Production will open ballot and the other votes will be done by confidential ballot.

R002-A: "Small Wind Turbine Training Center" Fund: 6 votes. Do Not Fund: 0 votes.

R002-C: "Development of Economically Sustainable Distributed Power from Biomass Gasification for North Dakota" – Fund: 6 votes. Do Not Fund: 0 votes.

R002-D: "Development of Biojet Fuel from North Dakota Crop Oil" – Fund: 3 votes. Do Not Fund: 3 votes.

The "Development of Biojet Fuel from North Dakota Crop Oil" proposal will not be forwarded to the Industrial Commission as it did not receive majority support.

ROLL CALL VOTE ON R002-B

It was carried unanimously on a roll call vote to recommend funding for R002-B: "Renewable Electrolytic Nitrogen Fertilizer Production."

Goettle, Christianson, Goerger, Mack, Nisbet, and Schneider voted "aye." No negative votes were cast.

It was moved by Goerger, seconded by Christianson and carried on a voice vote to consider the "Development of Economically Sustainable Distributed Power from Biomass Gasification for North Dakota" project as a biomass project upon the consent of the technical reviewers.

ADMINISTRATIVE BUSINESS

Fine discussed the process taking place and recommended to follow the same procedures as the Biomass program if it is renewed by the legislature.

It was moved by to Christianson, seconded by Schneider and carried on a voice vote to recommend to the legislature that if the biomass program continues to have it subject to the same confidentiality provisions as the renewable energy program.

Fine discussed the recommendation for matching funds. Discussion was held on this process.

Huether discussed Round 3 of applications which include promoting ethanol Fuels in North Dakota and Fischer-Tropsch Fuels Development.

Goettle asked for a date for special round 3. After discussion it was decided for the council to meet on Wednesday, August 27th at 2:00 p.m. The meeting date for Round 4 will be January 5, 2009.

ADJOURNMENT

It was moved by Christianson, seconded by Schneider and carried on a voice vote that the meeting be adjourned. Chairman Goettle adjourned the meeting at 1:08 p.m.

Shane Goettle	Date
Chair	

Brandi Schoenberg	Date
Acting Recorder	